

## Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 EB-08 COME-00 AID-05 CIAE-00 INR-10

NSAE-00 AGR-01 TRSE-00 MMO-01 INT-05 /041 W

-----098862 151708Z /53

R 151441Z AUG 78

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 1447

INFO AMCONSUL BUKAVU POUCH

AMCONSUL LUBUMBASHI

C O N F I D E N T I A L SECTION 1 OF 3 KINSHASA 8854

E.O. 11652: GDS

TAGS: BEXP, AFSP, CG

SUBJECT: PROJECTED FY '79 COMMERCIAL ACTION PROGRAM FOR ZAIRE

REF: A) STATE 82102, B) KINSHASA 4311

(BEGIN CONFIDENTIAL)

1. COMMERCIAL SETTING. (IN THE ABSENCE OF DEPENDABLE OFFICIAL TRADE AND DEBT STATISTICS, THE EMBASSY'S ESTIMATES HAVE BEEN GIVEN BELOW, AND CONSEQUENTLY THIS SECTION HAS BEEN CLASSIFIED).  
AT BEST, COMMERCIAL ACTIVITY IN ZAIRE IN FY-1979 CAN BE EXPECTED TO BE A REPEAT OF THE DEPRESSED LEVEL OF COMMERCIAL ACTIVITY EXPERIENCED

IN FY 1978. CAUGHT IN A VISE FORMED BY A GROSS DOMESTIC PRODUCT DECLINING BECAUSE OF THE ROCK-BOTTOM LEVEL OF IMPORTS UNDERTAKEN DURING THE LAST TWO YEARS, AND RISING FOREIGN DEBT OBLIGATIONS, THE ZAIRIAN ECONOMY CAN EXPECT BARELY TO KEEP AFLOAT WITHOUT LARGE ADDITIONAL

INFUSIONS OF OUTSIDE AID.

FOLLOWING THE SHOCK TO ITS MAJOR EXPORT INDUSTRY DEALTY BY THE SECOND INVASION OF THE COPPER MINING BELT IN MAY OF 1978, PROJECTED EXPORT  
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EARNINGS FOR CALENDAR 1978 ARE NOW \$1.1 BILLION, \$100 MILLION LESS THAN MINIMUM IMPORT REQUIREMENTS WHICH ARE ESTIMATED TO BE ABOUT \$1.2 BILLION. ASSUMING NO FURTHER SECURITY PROBLEMS, EXPORT EARNINGS FOR CALENDAR 1979 ARE PROJECTED AT \$1.3 BILLION WITH REAL IMPORT LEVELS REMAINING THE SAME AS IN 1978. IT SHOULD BE NOTED THAT IN ADDITION TO BASIC IMPORT NEEDS, THE GOVERNMENT OF ZAIRE (GOZ) MUST MEET HEAVY DEBT SERVICE OBLIGATIONS IN 1979, AMOUNTING TO AT LEAST \$120 MILLION

TO FOREIGN GOVERNMENTS ALONE, ASSUMING FURTHER DEBT RESCHEDULING IS UNDERTAKEN IN 1978 AND 1979. IN AN EFFORT TO TURN THE ECONOMY AROUND

,  
BEFORE THE END OF CALENDAR 1978 THE GOZ HOPES TO HAVE AGREED ON A THIRD STABILIZATION PLAN WITH THE INTERNATIONAL MONETARY FUND (IMF) AND TO HAVE AN IMF TEAM IN PLACE AT THE CENTRAL BANK TO CONTROL FOREIGN EXCHANGE EXPENDITURES. ALSO, BY THE END OF THE YEAR, THE GOZ, IN CONSULTATION WITH MAJOR AID DONOR COUNTRIES AND MULTI-LATERAL AID INSTITUTIONS HOPES TO HAVE A SHORT-TERM ECONOMIC RECOVERY PLAN IN PLACE UNDER THE UMBRELLA OF THE MOBUTU PLAN. UNTIL THE MOBUTU PLAN IS WORKED OUT, HOWEVER, THERE ARE NO RELIABLE BREAKDOWNS OF FOREIGN AID COMMITTED TO ZAIRE FOR 1979. ALSO BY THE END OF 1978, FURTHER RESCHEDULING OF THE DEBT OWED FOREIGN GOVERNMENTS SHOULD HAVE TAKEN PLACE AND MORE INFORMATION WILL BE AVAILABLE ABOUT THE STATUS OF THE DEBT OWED THE PRIVATE BANKS AND THE FATE OF THE LONG-AWAITED \$220 MILLION PRIVATE BANK LOAN.

IT CAN BE EXPECTED THAT THE EMBASSY'S COMMERCIAL ACTIVITIES IN FY-1979, LIKE FY-1978, WILL FOCUS MORE ON BILL COLLECTING AND ASSISTING LOCALLY ESTABLISHED U.S. FIRMS TO KEEP THEIR DOORS OPEN, RATHER THAN TRADE PROMOTION. AVAILABLE FOREIGN EXCHANGE WILL BE DEVOTED PRIMARILY TO IMPORTS OF FOOD, FUEL, AND PHARMACEUTICALS, AS WELL AS RAW MATERIALS AND SPARE PARTS FOR INDUSTRY. REPLACEMENT OR AUGMENTATION OF CAPITAL GOODS WILL BE RARE AND UNDERTAKEN ONLY ON AN EMERGENCY BASIS, CONCENTRATING ON TRANSPORT, COMMUNICATION, AGRICULTURAL AND CONSTRUCTION EQUIPMENT. ADDITIONAL PUR-

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CHANGES IN THESE AREAS WILL BE BASED ON FOREIGN AID. AREAS TO KEEP AN EYE ON WILL BE PORT AND RAILWAY REHABILITATION PROJECTS AND AGRICULTURAL PROJECTS FINANCED BY IBRD AND SAUDI FUNDS, ALL OF WHICH ARE SUBJECT TO INTERNATIONAL BIDDING. THESE PROJECTS SHOULD BE SUBSTANTIAL, SINCE THE SAUDIS ALONE HAVE PLEDGED \$66 MILLION IN ASSISTANCE TO THE TRANSPORT AND AGRICULTURAL SECTORS.

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BEGIN UNCLASSIFIED

## II. PERSONNEL RESOURCES

A. THE COUNTRY COMMERCIAL ACTION GROUP FOR ZAIRE: AMBASSADOR, DCM, CONSULS IN BUKAVU AND LUBUMBASHI, ECON/COMMERCIAL COUNSELOR, COMMERCIAL ATTACHE, PUBLIC AFFAIRS OFFICER.

### B. ECON-COMMERCIAL PERSONNEL ZAIRE

#### (1) EMBASSY KINSHASA

ECON/COMMERCIAL COUNSELOR	FSO-03 HEIMANN
COMMERCIAL ATTACHE	FSO-04 KARAER
ECON OFFICER	FSO-06 GARRISON
COMMERCIAL OFFICER	FSO-06 SHELTON
COMMERCIAL OFFICER	FSO-06 HAUSER
ECON SECRETARY	FSS-6 WILCOXEN
COMMERCIAL SECRETARY	FSS-8 BUSCH

SUPERVISORY ECON SPEC. FSL-9 BONGOLA  
SUPERVISORY ECON SPEC. FSL-9 NDANDU  
JR. ECON. SPEC. FSL-6 BANZADIO

(2) AMERICAN CONSULATE LUBUMBASHI

ECON/COMM OFFICER FSO-5 NALL  
COMMERCIAL SPECIALIST FSL-5 MUKOLA

III. REVIEW OF FY-78 COMMERCIAL ACTIVITIES

THE POST HAS SO FAR FULFILLED MOST OF THE GOALS SET IN THE 1978 CAP. PROTECTION OF U.S. INVESTMENTS AND PROJECTS WAS A MAJOR, TIME- CONSUMING RESPONSIBILITY FOR THE EMBASSY. ALL NATIONALIZATION AND ZAIRIANIZATION CASES, WITH ONE EXCEPTION, WERE WRAPPED UP, BUT CONSIDERABLE HAND-HOLDING HAD TO BE DONE FOR FOREIGN EXCHANGE STARVED FACTORIES AND PROJECTS BATTLING TO GET ENOUGH FOREIGN EX-  
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CHANGE ALLOCATED TO IMPORT THE MATERIALS THEY NEEDED TO STAY OPEN. THIS TASK WILL CONTINUE INTO 1979.  
TIMBER EQUIPMENT AND REFRIGERATION EQUIPMENT MARKET RESEARCH REPORTS HAVE BEEN WRITTEN, AND REPORTS ON THE MARKETS FOR WATER AND AIR TRANSPORT EQUIPMENT ARE UNDER PREPARATION. MARKET REPORTS ON MINING AND RAILWAY EQUIPMENT, WHICH WERE ASSIGNED TO CONSULATE LUBUMBASHI FOR COORDINATION, WILL NOT BE COMPLETED BY THE END OF THE FISCAL YEAR DUE TO THE PHYSICAL AND WORKLOAD DISRUPTIONS CAUSED THERE BY THE SECOND SHABA INVASION. CONSULATE LUBUMBASHI PROPOSES TO UNDERTAKE THESE STUDIES WITHIN THE CONTEXT OF THE 1979 CAP, WHEN THE FINANCIAL AND MANAGEMENT SITUATIONS OF GECAMINES AND THE NATIONAL RAILROAD (SNCZ) ARE MORE CLEARLY DEFINED.  
WHILE THESE REPORTS ARE VALUABLE FROM THE POINT OF VIEW OF IDENTIFYING END USERS AND DISTRIBUTORS OF THE EQUIPMENT AND IN PROVIDING A BROAD PICTURE OF THE PROCUREMENT OR REPLACEMENT PRIORITIES THESE BUYERS  
HAVE SET FOR THEMSELVES, THE NATURE OF THE MARKET FOR ANYTHING IN ZAIRE AT THE MOMENT IS SUCH THAT THESE MARKET RESEARCH REPORTS LACK SPECIFICITY. IN OTHER WORDS, THE BUYERS WANT AND NEED A GREAT MANY THINGS, BUT HAVE ONLY LIMITED MEANS TO PAY FOR ANYTHING. THUS, THEY HAVE NO COHERENT PURCHASING PLANS. DISCUSSION OF COMPETITION IN THESE REPORTS IS ALSO UNSATISFACTORY, BECAUSE EQUIPMENT IS BEING PURCHASED WHERE CREDIT IS AVAILABLE, RATHER THAN ON THE BASIS OF OTHER IDENTIFIABLE CRITERIA. NEVERTHELESS, THERE IS SO LITTLE COMMERCIAL INFORMATION AVAILABLE FROM ANY SOURCE ON ZAIRE, THAT EVEN WITH THEIR SHORTCOMINGS ,OUR MARKET RESEARCH REPORTS FILL A GAP.

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NSAE-00 AGR-01 TRSE-00 MMO-01 INT-05 /041 W  
-----098787 151708Z /53

R 151441Z AUG 78  
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TO SECSTATE WASHDC 1448  
INFO AMCONSUL LUBUMBASHI  
AMCONSUL BUKAVU POUCH

C O N F I D E N T I A L SECTION 2 OF 3 KINSHASA 8854

THE CONSIDERABLE AMOUNT OF TIME AND EFFORT EXPENDED ON THESE REPORTS ALSO PROVIDES THE OCCASION FOR COMMERCIAL OFFICERS TO UNDERTAKE INTERVIEWS WITHIN AN INDUSTRY OR PRODUCT GROUP. WTDR, FTI, AND TOP INFORMATION IS COLLECTED AT THE SAME TIME THE MARKET RESEARCH IS CARRIED OUT AND THE EMBASSY HAS SO FAR ADDED ABOUT 35 WTDR'S AND 60 FTI ENTRIES THIS YEAR. TRADE OPPORTUNITY REPORTING WAS LIMITED TO THOSE OPPORTUNITIES WHICH WERE BASED ON A REASONABLE EXPECTATION THAT THE PROSPECTIVE PURCHASER WOULD BE ABLE TO OBTAIN THE NECESSARY FOREIGN EXCHANGE TO COMPLETE THE TRANSACTION. BECAUSE OF THE DIFFICULTY OF COMMUNICATING HERE, WE DO NOT HAVE A PRACTICAL SYSTEM FOR FOLLOW-UPS ON TRADE OPPORTUNITIES AND HAVE LITTLE IDEA WHAT PERCENTAGE OF SUCCESS WE HAVE HAD WITH OUR TRADE OPPORTUNITY REPORTS. WE MUST IMPROVE OUR SPECIFICITY, WHICH IS AN UPHILL STRUGGLE, SINCE MANY PROSPECTIVE CUSTOMERS ARE NOT FAMILIAR ENOUGH WITH THE TYPE OF EQUIPMENT THEY WANT TO BUY TO ENABLE THEM TO BE SPECIFIC THEMSELVES.

OUR ONLY TRADE PROMOTION EVENT IN 1978, THE AGRI-BUSINESS SEMINAR, WAS A QUALIFIED SUCCESS. ALTHOUGH THE EMBASSY DELIVERED AN ENTHUSIASTIC AUDIENCE AND THE COMMERCE-SPONSORED PARTICIPANTS APPEARED SATISFIED WITH THE SERVICE THEY RECEIVED, RESULTING SALES WERE EXTREMELY LOW BECAUSE OF THE DEPRESSED LOCAL ECONOMIC CONDITIONS.

TWO OTHER MAJOR ACTIVITIES, MAKING THE COMMERCIAL LIBRARY MORE USEABLE AND TRAINING LOCAL EMPLOYEES, ARE PROGRESSING SATISFACTORILY. COMPANY CATALOGUES HAVE BEEN ARRANGED AND INDEXED  
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TO PERMIT QUICK AND ACCURATE RETRIEVAL, OUT-OF-DATE DIRECTORIES AND CATALOGUES HAVE BEEN CLEANED OUT AND A LARGE NUMBER OF DIRECTORIES OF GENERAL INTEREST OR KEYED TO CAMPAIGN-RELATED INDUSTRIES WERE PURCHASED AND PUT INTO USE. CATALOGING IS NOW UNDER WAY. ALL THREE EMBASSY LOCAL EMPLOYEES HAVE COMPLETED THE CORRESPONDENCE COURSE THROUGH LESSON 5, TWO EMPLOYEES ATTENDED THE REGIONAL TRAINING SEMINAR AND NEW JOB DESCRIPTIONS HAVE BEEN COMPLETED ON

THEIR POSITIONS. AS A RESULT, ALL LOCAL EMPLOYEES HAVE CONTRIBUTED SUBSTANTIALLY MORE TO REALIZING THE CAP GOALS THAN THEY DID IN THE PAST AND WILL CONTINUE THROUGH THE TRAINING PROGRAM UNTIL ALL OF THE CORRESPONDENT COURSE LESSONS HAVE BEEN COMPLETED.

REALIZING THAT MOST SIGNIFICANT NEW U.S. SALES TO ZAIRE WILL BE MADE IN THE CONTEXT OF FOREIGN AID FUNDED PROJECTS, THE EMBASSY STAFF WORKED ON SHARPENING OUR REPORTING ON THE STATUS OF THESE PROJECTS AND SPEEDING UP REPORTING OF CALLS FOR TENDERS. WE HAVE ALSO INSTITUTED A FOLLOW-UP PROCEDURE TO LEARN WHO SUCCESSFUL BIDDERS ARE IN ORDER TO EVALUATE U.S. EFFORTS IN THIS AREA.

FINALLY, IN RESPONSE TO THE REQUIREMENTS OF THE FOREIGN BUYERS PROGRAM, WE HAVE SET UP A SYSTEM FOR NOTIFYING PROSPECTIVE TRADE SHOW VISITORS WHICH WE THINK IS A PRACTICAL MEANS OF COVERING ALL POSSIBLE BUYERS GIVEN THE LIMITATIONS OF THE ZAIRIAN ECONOMY. WE KNOW AT LEAST TWO PROSPECTIVE BUYERS ATTENDED TRADE SHOWS IN THE U.S. SO FAR THIS YEAR AS A RESULT OF OUR EFFORTS.

#### IV. CAMPAIGNS AND OTHER SPECIAL EFFORTS -- FY'79

IN 1978 WE FOUND THAT THE MOST SENSIBLE AND PRODUCTIVE EFFORTS WE CAN EXPEND ARE THOSE DEVOTED TO INFORMATION GATHERING. TRADE PROMOTION EVENTS, IN THE ABSENCE OF LOCALLY AVAILABLE FOREIGN EXCHANGE

AND U.S. CREDITS, ARE DOOMED TO FAILURE. IN 1979 THE POST PROPOSES TO CONTINUE REBUILDING ITS FTI AND COLLECTING FURTHER MARKET DATA  
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ON KEY PRODUCT AREAS. WE BELIEVE THAT TIME SPENT IN 1979 ON BUILDING A BODY OF INFORMATION AND TRAINING LOCAL EMPLOYEES WILL PAY OFF LATER IN THE 1980'S, WHEN THE ZAIRIAN ECONOMY HAS RECOVERED AND TRADE PROMOTION EVENTS CAN BE EXPECTED TO BE MORE PRODUCTIVE. OUR GOAL IS TO PROVIDE THOSE WHO REPLACE US WITH SOME OF THE TOOLS THEY WILL NEED TO TAKE ADVANTAGE OF THE MARKET POTENTIAL WHICH WILL EXIST HERE, BUT WHICH CANNOT BE REALIZED UNTIL ZAIRE RE-ESTABLISHES ITS CREDIT-WORTHINESS.

##### A. CAMPAIGN 1: MINING EQUIPMENT

CAMPAIGN MANAGER: DAVID NALL

THIS CAMPAIGN, WHICH WAS SCHEDULED FOR COMPLETION IN THE 1978 CAP, WAS CURTAILED BY THE WORKLOAD CHANGES IMPOSED ON CONSULATE LUBUMBASHI BY THE SECOND SHABA INVASION. THE FULL IMPACT OF THE INVASION ON THE SHABA MINING SECTOR AND ANY REORDERING ON THE PART OF THE MINING COMPANIES OF PRIORITIES AND PROJECTS THAT THIS WILL ENTAIL, WILL NOT BE KNOWN EARLIER THAN THE END OF CALENDAR 1978.

ACTION (1) MAINTAIN CONSULATE LUBUMBASHI'S INTIMATE CONTACTS WITH MINING INDUSTRY IN SHABA AND CONTINUE TO REPORT ON TRADE AND INVESTMENT OPPORTUNITIES THAT ARISE IN THIS SECTOR.

(2) COORDINATE KEY PROSPECT CALLS TO BE UNDERTAKEN BY

COMMERCIAL OFFICERS IN KINSHASA AND BUKAVU ON MINING  
INDUSTRY IN THEIR AREAS TO REPORT ON TRADE AND INVEST-  
MENT OPPORTUNITIES.

(3) DRAW ON INFORMATION GATHERED FROM SOURCES CITED ABOVE  
TO PREPARE DESK MARKET SURVEY ON MINING EQUIPMENT.  
SURVEY WILL INCLUDE RECOMMENDATION ON FEASIBILITY OF  
TRADE PROMOTION EVENT IN THIS SECTOR FOR LATE 1979 OR  
1980.

(4) ENCOURAGE ZAIRIAN BUYERS TO ATTEND U.S. TRADE SHOWS  
RELATED TO THEIR INTEREST.

(5) NOMINATE AND WORK WITH GRANTEES UNDER U.S. INTER-  
NATIONAL VISITORS PROGRAM WHO ARE DECISION-MAKERS IN THIS  
SECTOR.

B. CAMPAIGN 2: CONSTRUCTION INDUSTRY  
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CAMPAIGN MANAGER: MIKE SHELTON

RATIONALE: THE CONSTRUCTION INDUSTRY WILL BE ONE OF THE FIRST  
INDUSTRIES AFFECTED BY A LOCAL ECONOMIC RECOVERY. DURING THE ZAIRIAN

-  
IZATION PERIOD A NUMBER OF CONSTRUCTION COMPANIES CHANGED HANDS,  
DISAPPEARED OR WERE CREATED. A SURVEY OF THE INDUSTRY AS IT EXISTS  
TODAY, IDENTIFICATION OF ITS LEADERS, THE SKILLS THEY CAN PROVIDE  
LOCALLY, THE EQUIPMENT THEY HOPE TO BUY AND THE PRIORITIES THEY  
HAVE FIXED FOR THEMSELVES WILL BE INDISPENSABLE TO BUILDING A TRADE  
PROMOTION PROGRAM IN ZAIRE.

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FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC 1449

INFO AMCONSUL BUKAVU POUCH

AMCONSUL LUBUMBASHI

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ACTION (1) UNDERTAKE KEY PROSPECT CALLS TO DETERMINE TRADE AND INVESTMENT OPPORTUNITIES IN THIS SECTOR.

ACTION (2) PREPARE AIRGRAM ON STATE OF CONSTRUCTION INDUSTRY IN ZAIRE.

ACTION (3) COMPILE DIRECTORY OF CONSTRUCTION COMPANIES AND COMPLETE OR UPDATE WTDR/FTI ENTRIES ON ALL MAJOR FIRMS.

ACTION (4) MARKET BRIEF ON MARKET FOR CONSTRUCTION EQUIPMENT AND BUILDING MATERIALS.

ACTION (5) PREPARE TRADE OPPORTUNITIES THAT ARISE FROM CALLS ON INDUSTRY.

ACTION (6) ENCOURAGE ZAIRIAN BUYERS TO ATTEND U.S. TRADE SHOWS RELATED TO THEIR INTEREST.

ACTION (7) NOMINATE AND WORK WITH GRANTEES UNDER U.S. INTERNATIONAL VISITORS PROGRAM WHO ARE DECISION-MAKERS IN THE CONSTRUCTION INDUSTRY.

#### C. CAMPAIGN 3: TEXTILE INDUSTRY

CAMPAIGN MANGER: ARMA JANE KARAER

RATIONALE: THE TEXTILE INDUSTRY IS ONE OF THE LARGEST INDUSTRIES IN ZAIRE. ALTHOUGH STARVED AT PRESENT FOR RAW MATERIALS, IT CAN BE EXPECTED TO RECEIVE HIGH PRIORITY CONSIDERATION FOR RE-EQUIPMENT WHEN THE ECONOMY IMPROVES SINCE IT IS A BASIC IMPORT-SUBSTITUTION INDUSTRY. THE EMBASSY SHOULD HAVE BASIC INFORMATION ON THIS INDUSTRY FOR TRADE PROMOTION PURPOSES WHEN THE ECONOMY RECOVERS.

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ACTION (1) MAKE KEY CALLS ON COMPANIES WHICH MAKE UP TEXTILE INDUSTRY TO DETERMINE TRADE OPPORTUNITIES.

ACTION (2) PREPARE MARKET BRIEF ON MARKET FOR THIS EQUIPMENT IN ZAIRE.

ACTION (3) UPDATE WTDR/FTI ON ALL COMPANIES IN THIS SECTOR.

ACTION (4) ENCOURAGE ZAIRIAN BUYERS TO ATTEND U.S. TRADE SHOWS RELATED TO THEIR INTEREST.

ACTION (5) NOMINATE AND WORK WITH GRANTEES UNDER U.S. INTERNATIONAL VISITORS PROGRAM WHO ARE DECISION-MAKERS IN THE TEXTILE INDUSTRY.

#### D. CAMPAIGN 4: BUSINESS MACHINES AND OFFICE EQUIPMENT

CAMPAIGN MANAGER: TIM HAUSER

RATIONALE: THIS EQUIPMENT CATEGORY REPRESENTS A SIGNIFICANT POTENTIAL MARKET FOR IMPORTS ABOUT WHICH RELATIVELY LITTLE INFORMATION IS CURRENTLY AVAILABLE.

ACTION (1) MAKE KEY CALLS ON DISTRIBUTORS OF OFFICE EQUIPMENT AND SIGNIFICANT END USERS IN GOVERNMENT AND PRIVATE SECTOR TO DETERMINE TRADE OPPORTUNITIES.

ACTION (2) PREPARE MARKET BRIEF ON MARKET FOR THIS EQUIPMENT.

ACTION (3) UPDATE WTDR/FTI FILE ON COMPANIES WHICH ARE PROMINENT IN THIS SECTOR.

ACTION (4) ENCOURAGE ZAIRIAN BUYERS TO ATTEND U.S. TRADE SHOWS RE-

LATED TO THEIR INTEREST.

ACTION (5) NOMINATE AND WORK WITH GRANTEES UNDER U.S. INTERNATIONAL VISITORS PROGRAM WHO ARE DECISION-MAKERS IN THIS SECTOR.

SPECIAL EFFORTS 1: PROTECTION OF U.S. MAJOR INVESTMENTS AND PROJECTS.

IN 1978 THE ACUTE SHORTAGE OF FOREIGN EXCHANGE IN ZAIRE MEANT A CONSTANT BATTLE ON THE PART OF U.S.-OWNED COMPANIES IN ZAIRE TO KEEP A MINIMUM OF RAW MATERIALS AND PARTS FLOWING IN, AND THEIR PLANT DOORS OPEN. THIS SITUATION WILL CONTINUE TO BE ACUTE IN 1979 AND THE EMBASSY WILL SPEND CONSIDERABLE TIME AND EFFORT HHELPING TO IN-  
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SURE THAT THESE COMPANIES RECEIVE THEIR FAIR SHARE OF THE AVAILABLE RESOURCES. THE INGA-SHABA POWERLINE PROJECT WILL ALSO BE IN A PRE-CARIOUS PHASE, AND THE NURTURING OF THIS INVESTMENT WILL CONTINUE TO DEMAND CONSIDERABLE TIME AND ATTENTION FROM EMBASSY OFFICERS. IN ADDITION, MONITORING DEBT REPAYMENT IN BOTH THE PUBLIC AND PRIVATE SECTORS, INCLUDING REPORTS ON BADLY OVERDUE COMMERCIAL ARREARS, WILL CONTINUE TO BE A MAJOR ECONOMIC/COMMERCIAL ACTIVITY HERE.

SPECIAL EFFORT 2: CONTINUE TO MONITOR CLOSELY FOREIGN-AID FINANCED MAJOR PROJECTS IN AN EFFORT TO ENCOURAGE MORE AMERICAN BIDDING IN THIS FIELD.

THE EMBASSY WILL CONTINUE TO PUT HIGH PRIORITY ON REPORTING ON THE DEVELOPMENTS IN MAJOR PROJECTS WHICH HAVE USURED FINANCING, AND REPORT IMMEDIATELY CALLS FOR TENDERS ON SUCH PROJECTS.

SPECIAL EFFORT 3: MONITOR AND REPORT ON INVESTMENT OPPORTUNITIES AND THE EVOLUTION OF THE BUSINESS CLIMATE IN ZAIRE.

IN ADDITION TO REPORTING ON INVESTMENT OPPORTUNITIES AND CHANGES IN GOZ PRACTICES AND LAWS RELATING TO FOREIGN INVESTMENT, THE MISSION WILL BE ALERT TO POSSIBILITIES FOR INFLUENCING GOZ THINKING AND PRACTICES IN THIS AREA. THIS EFFORT WILL INCLUDE THE COMPILATION OF A BIBLIOGRAPHIC REPORT ON THE TOP 10-15 ZAIRIAN BUSINESSMEN, MAPPING THEIR BUSINESS AND POLITICAL CONNECTIONS. ANOTHER REPORT ON THE BUSINESSES OWNED BY THE OFFICE OF THE PRESIDENCY WILL BE PREPARED.

SPECIAL EFFORT 4: MARKET BRIEF ON RAIL SECTOR'S EQUIPMENT NEEDS.

THIS PROJECT IS A CARRY-OVER FROM 1978 CAP TRANSPORTATION CAMPAIGN. THE STUDY WILL BE DONE IN FY-1979 WHEN THE RAIL USE PICTURE IN THE

SHABA REGION IS MORE CLEAR.

SPECIAL EFFORT 5: PREPARATION OF BUSINESS VISITORS HANDBOOK.

THE EMBASSY WILL PREPARE A LOOSE-LEAF HANDBOOK CONTAINING BASIC INFORMATION ON THE ZAIRIAN ECONOMY AND COMMERCIAL PRACTICES TO BE USED BY U.S. BUSINESS VISITORS TO ZAIRE. IN ADDITION, THE HANDBOOK WILL BE THE SOURCE OF INFORMATION FOR A POCKET-SIZE PAMPHLET CONTAINING BUSINESS INFORMATION FOR THE USE OF BUSINESS VISITORS, AND WILL BE THE BASIS FOR FUTURE UPDATES OF MARKETING IN ZAIRE.

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SPECIAL EFFORT 6: PARTICIPATION IN THE FOIRE INTERNATIONAL DE KINSHASA 1979 (FIKIN).

ALTHOUGH IT IS NOT EXPECTED THAT A LARGE U.S. COMMERCIAL PRESENCE CAN BE MUSTERED FOR FIKIN '79, THE COMMERCIAL SECTION WILL ASSIST IN PRESENTING THE U.S. PAVILION, WITH SPECIAL ASSISTANCE TO LOCAL U.S. COMPANIES WHO WISH TO PARTICIPATE.

SPECIAL EFFORT 7: COMMERCIAL NEWSLETTER

AN EFFORT WILL BE MADE TO IMPROVE THE QUALITY AS WELL AS THE EFFICIENCY OF PRODUCTION AND DISTRIBUTION OF THE COMMERCIAL NEWSLETTER. PARTICULAR EMPHASIS WILL BE PUT ON IDENTIFYING THE MOST PRODUCTIVE AUDIENCE FOR THE NEWSLETTER AND MONITORING THE SUBSCRIPTION LIST.

SPECIAL EFFORT 8: CONTINUED TRAINING FOR LOCAL EMPLOYEES.

COMMERCIAL OFFICERS WILL CONTINUE SEMINAR SESSIONS WITH LOCAL EMPLOYEES TO ASSIST THEM IN COMPLETING THE DEPARTMENT OF COMMERCE CORRESPONDENCE COURSE. PERFORMANCE VALUATION WILL BE WRITTEN ON ALL LOCAL EMPLOYEES DURING THE FISCAL YEAR.

V. FINANCIAL RESOURCES SCHEDULE (STATE FUNDS ONLY)

(SEE REF B)

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## Message Attributes

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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PROJECTED FY \79 COMMERCIAL ACTION PROGRAM FOR ZAIRE  
**TAGS:** BEXP, AFSP, CG  
**To:** STATE  
**Type:** TE  
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